



# JOAN BALLWEG

WISCONSIN STATE REPRESENTATIVE

PO Box 8952, State Capitol  
Madison, Wisconsin 53708-8952  
(608) 266-8077  
Toll-free: (888) 534-0041  
Rep.Ballweg@legis.state.wi.us

41<sup>ST</sup> ASSEMBLY DISTRICT

**AB 106: Small Claims Jurisdictional Limit  
Testimony by State Representative Joan Ballweg  
Before the Assembly Committee on  
Judiciary and Ethics  
June 9, 2011**

Thank you Chairman Ott and members of the Assembly Judiciary and Ethics Committee for hearing Assembly Bill 106, a bill to raise the jurisdictional limit in a small claims action to \$10,000.

As a private citizen and small business owner I support this proposal as a cost effective tool to bring affected parties before an objective arbitrator to solve financial disputes. This can be individual to individual, business to business, business to customer, or even renter to landlord. So this change would be a benefit to small business owners, and private individuals alike.

The benefit of the Small Claims process is that of cost effectiveness. It is more expensive to file a civil claim in circuit court, and requires the assistance of an attorney in order to file. It is not the court fee that is prohibitive; it is the necessity for legal representation and the percentage of the award that an attorney would take in payment for settling a case.

The benefit of this bill is that it would allow greater access to the system by allowing a larger claim. I see the current \$5,000 ceiling as just too low. This bill seeks to close a gap in the justice system. For individuals with damages of less than \$10,000 justice is difficult to come by, and the usual result is to settle at the jurisdictional limit of \$5,000. Passing AB 106 will help close that gap, and provide civil litigants access to a process that is fair, timely and affordable.

In 1993, the limit increased from \$2,000 to \$4,000, and then the following session, a provision included in the budget increased the limit to \$5,000. The statutory provision has remained unchanged for the past fourteen years, so inflation alone should warrant an increase in the jurisdictional limit.

\*\*\*According to the inflation calculator, provided by the U.S. Department of Labor, Bureau of Labor Statistics, \$5,000 in 1994 is equivalent to \$7,587.92 in 2011.

In 2002, the Judicial Council of California and the California Law Revision Commission recommended studying the effects of raising the small claims jurisdictional limit to \$7,500 and then \$10,000. In 2005 a bill was signed into law; the bill increased the small claims court limit from \$5,000 to \$7,500. After reviewing that change, the Judicial Council concluded that small claims court “provides a more speedy and efficient forum for resolving relatively small disputes.”

Early concerns that an increase in the claims limit might generate an unmanageable rise in new cases proved unfounded following the 2005 increase, opening the door for another effort to increase access with a still higher limit of \$10,000. Folks with larger claims were simply settling for the lower limit because they had no other option. My hope is that this new legislation will provide a fuller and fairer measure of justice. Just last month, the California Senate vote 37 to 0 to raise the limit to \$10,000.

In our neighboring Minnesota, there was a proposal to raise their jurisdictional limit of \$7,500 to \$15,000 (it was later amended to \$20,000). That bill passed their senate on a vote of 65 to 0. Unfortunately, their session ended before the house could act on the measure so it could become law. In Illinois, the Supreme Court raised the jurisdictional limit for small claims to \$10,000, as well.

A research study performed by HALT—An Organization of Americans for Legal Reform, reviewed 66 separate increases of the small claims jurisdictional limit in various states. Their research concluded that there is no predictable way that a jurisdiction will

react to an increase. In 75% of the studied increases in jurisdictional limit, the increase or decrease in caseload was less than 10%. For the 66 jurisdictional increases studied, an increase in the jurisdictional limit is only slightly more likely to raise the caseload than it is to lower it, and the most likely outcome is no change at all.

As a small business owner I have taken, on average, five to ten cases a year to Small Claims. I have been in business for 35 years, which means I have taken around 175 to 350 cases to court, in Green Lake and Dodge Counties.

There have been times when I have had balances owed that ran over the cap, and I had three options in filing a case:

- One, hire an attorney and file in Circuit Court.
- Two, file at the limit and forego the balance above the cap.
- Three, split up the debtor's balance, if possible and file two Small Claims cases.

I have done all of the above, depending on the circumstances.

For example a small business owner is owed \$7,000 by a client that has not satisfied his debt. The expense of filing a large civil case and hiring an attorney makes it cost prohibitive to pursue the matter in circuit court. Recovering \$5,000 for a small business owner is better than having to write off the full \$7,000 in accounts receivable or receive less than \$5,000 after paying attorney fees which are usually done on a percentage or time and material basis. The answer is to file in small claims, so the loss and costs are limited. Justice is not being served because the creditor is not made whole by the remedy.

The other case in which a debt could be divided into two cases means double the filing fees, and then both cases have to be handled by the creditor, debtor and the court. The rising costs of litigation make it increasingly difficult to find attorneys willing to take cases valued at \$10,000, or even higher. The current jurisdictional limit forces individuals with claims between \$5,000 and \$10,000 to represent themselves in a limited civil case, which is inefficient and burdensome for both litigants and the courts. AB 106

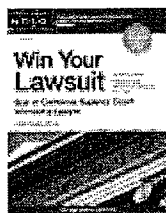
strikes the appropriate balance of providing increased access to justice while at the same time not overwhelming the courts.

Receiving a judgment in a Small Claims case does not guarantee the plaintiff will recover any money. Although, it is true that the filing, of these cases, brings the two parties together, starts them talking and in most instances, helps them reach some agreement on the bill and terms that result in payment of the debt without further enforcement action.

Small Claims Court is a reasonable, cost effective, and fair way for small businesses to deal with past due accounts, private individuals to have some power over business, and for individuals to settle small disputes. Statewide statistics show 50% of small claims cases are either closed before the initial court date or, are settled after an initial appearance. Milwaukee County statistics show that over 75% of cases are settled short of trials.

I suggest that it is only right to allow greater access to "The People's Court", for both businesses and individuals.

I ask you to support AB 106 and thank you for your time and attention. If there are any questions, I would be happy to answer them now.



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## How Much Can I Sue for in Small Claims Court?

### Small claims court dollar limits in your state.

#### Small Claims Court Limits for the 50 States\*

State	Dollar Limit
Alabama	\$3,000
Alaska	\$10,000
Arizona	\$2,500
Arkansas	\$5,000
California	\$7,500, except that a plaintiff may not file a claim over \$2,500 more than twice a year and plaintiff must be an individual (limit for local public entity or for businesses is \$5,000). \$4,000 is the limit for suits involving a surety company or a licensed contractor.
Colorado	\$7,500
Connecticut	\$5,000 (except in landlord-tenant security deposit claims).
Delaware	\$15,000
District of Columbia	\$5,000
Florida	\$5,000
Georgia	\$15,000 (no limit in eviction cases).
Hawaii	\$3,500; no limit in landlord-tenant residential security deposit cases. For return of leased or rented personal property, the property must not be worth more than \$3,500.
Idaho	\$5,000
Illinois	\$10,000
Indiana	\$6,000

Iowa	\$5,000
Kansas	\$4,000
Kentucky	\$1,500
Louisiana	\$3,000 (city court); \$5,000 (justice of the peace, but no limit on eviction cases).
Maine	\$6,000
Maryland	\$5,000
Massachusetts	\$7,000; no limit for property damage caused by motor vehicle.
Michigan	\$3,000
Minnesota	\$7,500 (\$4,000 for claims based on a personal or household consumer credit transaction).
Mississippi	\$3,500
Missouri	\$3,000
Montana	\$3,000
Nebraska	\$3,500 (adjusted every five years based on the Consumer Price Index, last increase on 7/10)
Nevada	\$5,000
New Hampshire	\$7,500
New Jersey	\$3,000 (\$5,000 for claims relating to security deposits).
New Mexico	\$10,000
New York	\$5,000 (\$3,000 in town and village courts)
North Carolina	\$5,000
North Dakota	\$10,000
Ohio	\$3,000
Oklahoma	\$6,000
Oregon	\$7,500
Pennsylvania	\$8,000 (\$10,000 in Philadelphia)
Rhode Island	\$2,500
South Carolina	\$7,500
South Dakota	\$12,000
Tennessee	\$25,000; no limit in eviction suits or suits to recover personal property.
Texas	\$10,000
Utah	\$10,000
Vermont	\$5,000
Virginia	\$5,000
Washington	\$5,000
West Virginia	\$5,000
Wisconsin	\$5,000; no limit in eviction suits.
Wyoming	\$5,000

\*Check your state's website for any special rules or exclusions.

For the information, tips, and strategies you need to sue someone successfully in small claims court, see [Everybody's Guide to Small Claims Court](#), by Ralph Warner (Nolo).

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[Expedited Jury Trials in California Superior Courts](#)

[Massachusetts Increases Small Claims Court Limit to \\$7,000](#)



**INTERGOVERNMENTAL RELATIONS**  
Milwaukee County

**MEMORANDUM**

**TO:** REPRESENTATIVE JIM OTT, CHAIR ASSEMBLY COMMITTEE ON  
JUDICIARY AND ETHICS  
**FROM:** MILWAUKEE COUNTY INTERGOVERNMENTAL RELATIONS  
**SUBJECT:** ASSEMBLY BILL 106, RELATING TO INCREASING THE SMALL  
CLAIMS JURISDICTIONAL AMOUNT  
**DATE:** THURSDAY, JUNE 9, 2011  
**CC:** ASSEMBLY COMMITTEE ON JUDICIARY AND ETHICS

**Assembly Bill 106**

Today, Milwaukee County Chief Judge Jeffrey Kremers will be appearing before you to testify against Assembly Bill 106. The Wisconsin State Legislature has debated this significant change in several prior sessions, and Milwaukee County continues to have fiscal and policy concerns about doubling the small claims jurisdictional threshold.

**Joint Committee on Finance Action**

However, it is clear that the appropriate vehicle for this type of policy change is the regular legislative process. It is disappointing that the Joint Committee on Finance, on a partisan vote, choose to include a proposal that would increase the jurisdictional amount for small claims actions from \$5,000 to \$10,000 in their wrap-up motion on the 2011-2013 budget. **Milwaukee County Intergovernmental Relations asks that the State Assembly and the State Senate pull this item from the 2011-2013 budget and debate the measure on its merits.**

**Fiscal and Policy Concerns**

Unlike other Wisconsin Counties, Milwaukee County is mandated by state statutes to establish at least one circuit court commissioner on a full-time basis to assist in small claims. Court commissioner costs are a county expense paid off the property tax levy. The Milwaukee County Circuit Court system consists of forty-seven judges and twenty-two court commissioners.

A bill to raise the small claims jurisdictional threshold should acknowledge that Wisconsin Counties already shoulder too much of the financial responsibility of financing the Wisconsin Court System. State funding for the circuit court support program has not increased since 1999-2000. In comparison, from Calendar Year (CY) 1999 to CY 2010, Milwaukee County property tax levy support for the circuit court system has increased by 85% (from \$23.2 million to \$42.9 million). The provisions of Assembly Bill 106 provide more potential to address this disparity than the measure added by the Joint Committee on Finance.

Representatives of the Milwaukee County Circuit Court system consistently have raised concerns about the impact of raising the small claims jurisdictional threshold on the people's court and the adverse effect on pro se residents. In this regard, an incremental change would make more sense than a doubling of the jurisdictional threshold.


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**LEGALAction**  
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TO: Assembly Committee on Judiciary and Ethics

FROM: Bob Andersen 

RE: Assembly Bill 106, relating to the jurisdictional amount and court fees in small claims actions

DATE: June 9, 2011

Legal Action of Wisconsin, Inc. (LAW) is a nonprofit organization funded by the federal Legal Services Corporation, Inc., to provide legal services for low income people in 39 counties in Wisconsin. LAW provides representation for low income people across a territory that extends from the very populous southeastern corner of the state up through Brown County in the east and La Crosse County in the west. Housing Law and Consumer Law are among the principal priorities of the organization.

### 1. The Dilemma in Small Claims Court

The bill increases the jurisdictional amount for Small Claims actions from \$5,000 to \$10,000. The concern has often been expressed that individuals and small businesses are compelled to hire attorneys and to proceed through the more formal requirements of large claims actions for claims over \$5,000. The problem is that the estimate – from both attorneys in our organization and from attorneys outside of our organization – is that 80% of the claims in Small Claims Court are debt collections cases. These include the tens of thousands of cases brought each year by consumer credit transaction plaintiffs, hospitals and large scale landlords. The volume of those cases is so high that increasing the jurisdictional amount will devastate the counties by inundating them with cases. It is also a problem for consumers, because, as explained below, the crush of cases in Small Claims Court is so high, that it becomes nearly impossible for an individual defendant to defend himself or herself in a claim. The informal procedures in Small Claims Court offer no review of these cases to ensure that serious mistakes are not made, exaggerated claims are not granted, and valid defenses go unrecognized. The simple expansion of Small Claims Court only makes a bad system worse.

We should say immediately that this is not the fault of the counties. Given the huge volume of cases they are faced with in Small Claims Court, they have no alternative. The counties deserve credit for improving their procedures. But, the huge number of cases filed in Small Claims Court

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overwhelms even the best of procedural improvements in the systems.

In Milwaukee County there are some 40,000 cases filed per year. More than 3/4 are non eviction cases and the rest are evictions.

## **2. The Problems Brought on by the Huge Overload of Cases in Small Claims Court Now.**

The problem is at its greatest in Milwaukee County, although other counties could benefit from increased resources in Small Claims Court to provide more access for defendants and to provide alternatives for helping defendants, like mediation.

In Milwaukee County huge numbers of cases are called at a time. As mentioned, three fourths or more are non eviction and 1/4 are eviction. For non eviction cases, hundreds of cases are called for a session begins at 8:30 a.m. and it may be a few hours before a particular defendant's name is called for someone who has shown up on the return date. Three tables are set up for legal counsel who are representing the debt collection agencies. In many cases, when a defendant's case is called, the defendant has to act very quickly in a loud voice to prevent a judgment from being quickly entered. Even if the defendant gets the attention of the clerk, the clerk will often ask the defendant – Do you owe the money? Defendants often start to explain, where there is no time for an explanation. The defendant may be directed to proceed out of the court room to discuss the case with the plaintiff's attorney. Even though the defendant thinks that something has been worked out, the defendant's is shocked to find out that a judgement has been entered. Especially, when the defendant shows up at a subsequent garnishment action. In some cases, the defendant may be referred to a court commissioner. But, the court commissioner's role is not to be an advocate. The court commissioner will probably ask the same question about whether the defendant owes the money. In some cases, the case may be set aside to another day.

The problem is that the crush of cases just does not allow for any real attention to be paid to a person's case for the vast majority of cases. Again this is not the fault of the counties or of the judges. It is simply the result of having so many cases filed. The situation is even worse for a defendant who could not make it on the return date. A default judgement will be entered, even if the person was sick and unable to attend. It would be far better if the resources existed so that defendants could be given some opportunity to ask for a different date in emergency situations.

For eviction cases, the process is similar. The cases are called in the afternoon. The court tried to separate the cases by calling them in blocks alphabetically by defendants' last names, but there is no proof that this has made anything better. Defendants are given an opportunity to approach the clerks, but the same question is going to be asked – Do you owe the rent? For eviction cases, the situation is even more urgent. The system is set up so that the property can be returned to the landlords so that they can re-rent the premises as soon as possible, as it should be. Defendants are more likely to be referred to a court commissioner. But, again the same problem exists. The court commissioner is not really in a position to help out the tenant. The tenant may have a valid

defense, but may not be able to understand that or how to raise the defense.

Again, the system could be improved by giving people more time to address their individual cases, more clerks and court commissioners, perhaps mediators to help tenants, and more judges or the rotation of judges, so that judges are not overwhelmed by cases. In Milwaukee County, there are some mediators provided by the law school. They help persons in some cases.

3. **An Alternative to Address These Problems Would be to Adopt Legislation That Creates a Bifurcated Process Similar to What is Used in at Least Two States – California and Minnesota.**

The alternative would maintain the \$5,000 jurisdictional amount for the 80% of cases that are debt collections brought by entities that file more than 20 claims per year in a particular county. This means that for the great many cases filed in Small Claims Court nothing changes in the jurisdictional amount. However, for those who file less than 20 claims per year in the county, the jurisdictional amount would be increased to \$10,000. This way, the individuals and small businesses are allowed to go to Small Claims Court with the benefit of more informal procedures and without having to hire an attorney for claims over \$5,000.

*Minnesota* has a similar system. Claims for *consumer credit transactions* are limited to claims under \$4,000 for Small Claims Court. For all other claims, the ceiling is \$7500. *California* has an even more limited system. *Corporations and other entities (government entities)* are limited to claims under \$5,000 in Small Claims Court in California. For *individuals*, the limit is \$7500. *In addition*, in California no individual, corporation or other entity (except a governmental entity) may bring more than *two* claims for more than \$2500 per year in Small Claims Court. Also in California, the \$5,000 limit applies to a number of other kinds of actions – *including fee arbitration awards, certain unsecured property tax claims, and actions against guarantors.*

Such an alternative was introduced by Rep. Hebl (2009 AB 524) during the past session and passed the Assembly by a vote of 49-48.

4. **Filing Fees**

The alternative legislation could increase the filing fees for plaintiffs as follows, in order to pay for the expansion of the jurisdictional amount: (1) an increase from \$22 to \$44 for frequent users of Small Claims Court who file more than 20 claims per year, and (2) an increase from \$22 to \$33 for infrequent users who file less than 20 claims per year. The increase in fees essentially recognizes who it is that *uses* the system most and whose cases place the greatest burden on county resources.

*California* has a similar system. The fees in California for those who filed *12 or fewer claims* are as follows: (1) 0 to \$1500 – \$30; (2) \$1500.01 to \$5000 – \$50; \$5000.01 to \$7500 – \$75. For those who filed *more than 12 claims* – \$100.

The revenue from the increase in fees under this alternative would go entirely to the county court systems. This way, the counties have far greater revenues to handle the increase in caseload for individuals who file less than 20 claims per year and who are therefore subject to the \$10,000 ceiling. The increase in revenue, especially from the frequent users of the system, will enable the counties to put more resources into the Small Claims Court where the system is inundated with cases: the 80% of cases brought by debt collection companies. The increase in revenue should enable the counties to hire more clerks, court commissioners and perhaps mediators, as explained below. It should also free up more time for cases to be heard, so that individuals who show up on the return date are given *their day in court* to explain why they do not owe the money or why they do not owe as much as is claimed.

5. **The Filing Fees Increase Sought by Assembly Bill 106 Should be Directed by the Legislation to Go to the County Court System, Rather Than to Go to the County as It Does Under Current Law.**

The increase in jurisdiction brought about by AB 106 will bring far greater stress to already overloaded small claims court systems. Consequently, AB 106 should seek to ensure that the increase in filing fees' revenue goes to the county court systems to address this overload. Unfortunately, if the money is directed to go to the counties' general fund, it will be used to fill other holes in the counties budgets and the administration of justice in Small Claims will only suffer more.

6. **Enforcement**

The increased revenue for the county court system provided by the bill should easily pay for the data system that would be needed to keep track of how many claims are filed per year. But, in addition, the legislation could provide another safeguard – which is to provide that a defendant is entitled to have the case dismissed with prejudice and to receive \$250 in damages, together with reasonable attorney fees, where a plaintiff has falsely sworn on the complaint that the plaintiff has commenced fewer than 20 claims per year.



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E-Mail: [info@countrysidecoop.com](mailto:info@countrysidecoop.com)

June 8, 2011

To: Whom It May Concern

Re: 2011 State Assembly Bill 106

This letter is in reference to the 2011 Assembly Bill 106 just introduced. It has been brought to my attention that a change may be in the works. With that said, I strongly suggest that the maximum dollar limit for small claims action be raised from the now \$5,000.00 limit to the new limit of \$10,000.00. With my experience as credit manager at Countryside Cooperative, which now is about 30 years, the small claims limit has only been raised once, that being from a \$1000.00 limit to a \$5,000.00 limit. As you can see in that span of time it has not been changed very frequently. I'm not exactly sure of the year the limit was changed to the \$5,000.00 maximum limit, but I do know it has been several, several years ago. I think most people would agree that in today's age the size of our accounts at our local coop can be reach or exceed the above limit in a heartbeat. Therefore, I certainly recommend that the limit be raised immediately.

My experience has been that our local cooperatives can easily handle these small claims cases and because of the easiness of the small claims procedure, there should be no need to have to hire an attorney each time, simply because we are limited to the \$5,000.00 limit. In fact, there are times when in order for our cooperative to obtain a default judgment on a debt owed and stay within the limit, we have had to settle for less than what was lawfully owed in order to just meet the above criteria. However, by doing this we at least were somewhat secured on the majority of the bill. Without doing it this way, additional attorney fees & higher costs associated by having an attorney do the collection matter would more than have eaten up the shortage.

I also noticed that the proposed new filing fee is suggested to be raised from \$22.00 to \$44.00. I'm not sure if this is just a typo, but our cost (the plaintiff's cost) has been \$96.50 on single defendants and \$98.50 on dual defendants.

Thanks for considering raising the credit as it is **greatly** needed!

Sincerely,

Ben Brunner/Credit Mgr  
Countryside Cooperative



1 South Pinckney Street, Suite 810, Madison, WI 53703-2869  
608.258.4400 fax 608.258.4407  
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June 9, 2011

To: Members, Assembly Committee on Judiciary and Ethics

From John Manske, Director of Government Relations

RE: Support for Assembly Bill 106

Among the members of Cooperative Network are 40 farm supply cooperatives that provide crop inputs, animal feed, grain marketing and petroleum products to residents across Wisconsin. Also among our members are the regional cooperatives CHS Inc., Land O'Lakes, and Growmark. Together, the farm supply cooperatives market the majority of the state's grain and supply the majority of the state's livestock feed and motor fuels used in agricultural production. A Farm Supply Committee of 25 individuals advises Cooperative Network on positions on legislation and regulations. At our December 8, 2010 meeting of the committee, a motion was made and passed that endorsed raising the small claims court jurisdictional cap to \$10,000 from the existing \$5,000. We appreciate the effort of Rep. Ballweg to draft Assembly Bill 106, and register our full support for the legislation today.

The last adjustment in the small claims cap was in 1995, when it was established at its current \$5000. The cap no longer represents the fair value of claims similar to those filed when the current cap was established. Our members understand that small claims court is a simplified dispute process that usually results in savings in both expense and time to arrive at an outcome. Farm supply cooperatives face disputes with purchasers and vendors that are best suited to small claims court. As member-owned and member-controlled businesses, cooperatives are interested in operating efficiently in order to benefit the member-owners. Avoidance of professional legal fees whenever possible is one means of cost containment. It makes sense to adjust the small claims court cap to reflect the impact of inflation in the past 16 years, and to allow more matters to be settled in the small claims court. Illinois' small claims cap is \$10,000. Minnesota's cap was raised to \$7,500 in 1994. The Minnesota legislature this year was considering raising that to \$20,000. The Senate legislation which provided the increase was supported by a 65-0 vote in the State Senate May 16. Unfortunately, the House never did approve the measure as disputes on an omnibus bill stalled the legislation and the legislative session ended without final action on the issue.

We would appreciate your support of AB 106. With me today is Dennis Rambo of Frontier FS Cooperative, headquartered in Jefferson. He is the Agri-Finance and Credit Coordinator and he can share his observations and respond to any questions you may have. Thank you for your attention to our testimony today. We also have two individuals in the audience from Landmark Services Cooperative, headquartered in Cottage Grove. They have registered their support for the bill. I've also distributed a memo of support from Countryside Cooperative, headquartered in Durand.



**Testimony submitted on Thursday, June 9, 2011 before the**

**Assembly Judiciary & Ethics Committee**

**in support of 2011 Assembly Bill 106**

Good morning.

Chairman Ott, and members of the Assembly Judiciary and Ethics Committee, my name is Brian Dake, Legislative Director for Wisconsin Independent Businesses. On behalf of WIB and its members, I am here to testify in support of 2011 Assembly Bill 106.

From time to time, small, independent businesses must turn to the courts to seek recovery of money owed to them by customers and clients. Small claims court is the preferred venue for small businesses to seek collection of past due accounts because the cases are often resolved quickly at minimal expense.

Under existing law, the jurisdictional limit for small claims court actions is \$5,000 – a limit that has been unchanged since 1995. If the small business is seeking to recover more than that amount, the small business must either:

- a) retain legal counsel and file a civil claim in circuit court;
- b) accept \$5,000 as full payment in small claims court; or
- c) file separate cases in small claims court consistent with the jurisdictional limit.

Resolving these claims in circuit court often takes months, if not years, and in many cases, the cost of the legal services to collect the past due balance exceeds the actual past due amount. Even in the best of economic times, small businesses cannot afford to accept less than full payment from their customers and filing multiple claims to recover a larger debt owed is hardly an efficient use of time on the part of a small business and the small claims court.

Since 1995, the cost of goods and services provided by small businesses has risen significantly. Raising the small claims court jurisdictional limit to \$10,000 reflects this economic reality and preserves access to the courts for small businesses seeking to collect on past due accounts and recover money owed to them.

Thank you.



**Wisconsin Insurance Alliance**  
44 East Mifflin Street • Suite 901  
Madison, Wisconsin 53703  
(608) 255-1749 FAX (608) 255-2178  
*contact@wial.com / www.wial.com*

## MEMORANDUM

To: Assembly Committee on Judiciary & Ethics

From: Andrew J. Franken

Date: June 9, 2011

Subject: AB 106 – Increased Limits on Small Claims Jurisdiction

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On behalf of the Wisconsin Insurance Alliance member companies, I respectfully request that the captioned be modified to exclude from the increase third party, personal injury, and tort claims. Our reasons for this modification are as follows:

- By definition, small claims court is a venue for a quick and efficient claims resolution.
- The proponents of this bill seek to expand small claims jurisdiction to obtain such efficiency in claims resolution primarily where contracts have not been entered into and a debt is owed.
- Tort claims are complex regardless of the amount in controversy, including, but not limited to, determinations of duty, breach of duty, proximate cause and damages. By definition such claims require not only the resolution of these complex issues but many times a formal discovery process to fully investigate underlying facts. To reach decisions in all of these areas, there are necessary procedural protections arising in circuit court, which are sacrificed in small claims court in the name of “affordable and informal access to justice.”
- Raising the threshold will bring many more complex tort claims into small claims court where a full benefit of the procedural safeguards necessary to investigate and resolve tort claims are not fully available.
- There has been no hue and cry from the supporters of this bill to expand small claims court to these types of claims...in fact they acknowledge that this bill should not apply to tort claims.
- The general informality of the small claims process and the inapplicability in the rules of evidence makes the resolution of tort claims much more difficult, and sets the stage for full appeal to the circuit court, requiring additional expense and time in the claims resolution process.
- In many instances small claims matters are resolved without notice to the appropriate insurer for the tort claim causing significant problems when the insurer is “expected” to pay the claim, but was not part of the small claims action.

For the reasons stated above, I request the exemption stated.